# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ASSESSMENT DIVISION

INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058 (B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3756
FAX (317) 232-8779

To: All Public Utility Companies

From: Indiana Department Of Local Government Finance (DLGF)

Subject: Filing Instructions For Form 1 & Form 1-N

Date: January 2007

All companies engaged in any public utility business in Indiana must file a Form 1, Tax Return-Fixed Personal Property of Public Utilities, with the local assessing official for each taxing unit where fixed personal property is located. If the public utility company owns, holds, possesses, or controls any leased or other not-owned locally assessed personal property, a Form 1-N must be filed with the local assessing official of each taxing unit where the leased personal property is located. **Do not include a copy of this form with the Annual Report (Form UD-45) filed with the Department of Local Government Finance (DLGF), but be sure to keep a copy for your records.**

The DLGF has granted an automatic extension of the due date for the Form 1 and the Form 1-N to all public utility companies until **April 2, 2007**. Further extensions must be obtained in writing from the township assessor. Failure to file the Form 1 or the Form 1-N by the required due date will result in late filing penalties. Failure to receive blank forms does not relieve any property from assessment, or any company from the duty of filing a return. Forms can be obtained from the Department of Local Government Finance or from our website.

The Department's web address is: www.in.gov/dlgf/

Some examples of types of property to be reported on the Form 1 include: Microwave towers, motor vehicles (for which no excise tax has been paid), office equipment, office furniture & fixtures, inventories, and any other machinery & equipment not directly used to provide the utility service if owned by a utility company. Motor vehicles in this instance do not include passenger buses, which file form UD-45.

## Instructions for Completing the Form 1

### Summary of Assessment

The true tax value of the property shown in Schedule A shall be carried to the summary section on the front page of the return and entered under the "Assessed Value by Taxpayer" column. The true tax value of inventory and supplies is computed in Schedule B and is also carried forward to the summary section. **The assessed value will be 100% of Total True Tax Value rounded to the nearest $10.**

### Schedule A

Machinery and equipment is defined as equipment that is not part of and unrelated to the production plant, distribution, or transmission system. Motor vehicles owned by a public utility company and assessed to the public utility company as personal property are not subject to motor vehicle excise tax [IC 6-6-5.5-

2(b)(3)], and shall be reported on the Form 1. However, if the motor vehicle is leased from a leasing company, and excise tax has been paid on the vehicle, the vehicle will not be included on Form 1. All depreciable tangible personal property reported in this schedule shall be valued at IRS Cost Basis less accumulated depreciation, as shown on the company records. The depreciable tangible personal property is subject to a 30% minimum true tax value by location. The true tax value of construction in progress is ten percent (10%) of cost.

**Schedule A-1**

A deduction is allowed for property placed into service in the immediate preceding twelve month assessment period. The deduction is 60% of the depreciated value of the property and is calculated in this section. Additionally, a calculation has been added to assist eligible taxpayers in filing for the investment deduction created by IC 6-1.1-12.4.

**Schedule B**

Inventories of merchandise and materials and supplies shall be reported pursuant to 50 IAC 4.2-5. Although inventory has been exempted from taxation in all counties as of the 2007 assessment year, taxpayers must still fill this section out as if it were not exempt, and then remove 100 percent of the value at line 9 to arrive at a $0 True Tax Value on line 10.

**Instructions for completing Form 1-N**

The Form 1-N is for the reporting of leased or not-owned locally assessed personal property. Schedule I is for leased property that is to be assessed to the owner. Schedule II is for leased property to be assessed to the public utility company that is holding, possessing or controlling the property. The total of Schedule II of the Form 1-N should be in agreement with Schedule A, Line 4, Column A of the Form 1.

You may obtain permission from the DLGF to use a computer generated Form 1 or Form 1-N (see, 50 IAC 5.1-3-2(f)).

Note: In order to calculate the Minimum Value Ratio (MVR), you should divide line 9 true tax value (30 percent) by line 8 true tax value (tentative value) of schedule A. This is only applicable when filing for abatement under IC 6-1.1-12.1 or for investment deduction under IC 6-1.1-12.4 if your property value is equal to or less than the 30 percent minimum value. (http://www.in.gov/dlgf/pdfs/260-2006-051006.pdf)